

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI IMMEDIATE

C O N F I D E N T I A L STATE 075190

FOR ASST SECY SISCO

FOL TEL SENT SECSTATE WASHDC INFO AMMAN TEL AVIV FROM
JERUSALEM 20 APR 73 REPEATED:

QUOTE JERUSALEM 423

E. O. 11652: GDS

TAGS: PFOR, PBOR, JO, IS

SUBJ: REPLY TO DEPARTMENT QUERIES ON LAND PURCHASES

1. WE HAVE FOUND OBVIOUS RELUCTANCE ON PART OF OUR CONTACTS, ARAB AND ISRAELIS TO GIVE US DETAILS ON LAND SPECULATION ON WEST BANK AND ON LEGAL SALES BY ARABS TO ISRAELIS IN JERUSALEM. WEST BANK SPECULATION HAS BEEN AND STILL IS ILLEGAL AND THOSE ENGAGING IN THIS ACTIVITY ARE ANXIOUS TO REMAIN ANONYMOUS. IN JERUSALEM, WHERE SALE IS NOT BANNED, THERE IS STILL STIGMA ATTACHED TO ARABS SELLING TO ISRAELIS AND DEALS ARE USUALLY CONDUCTED IN SECRET AND THROUGH INTERMEDIARIES.
2. WE ARE THEREFORE UNABLE TO OFFER MUCH SPECIFIC INFORMATION REGARDING IDENTITY OF ULTIMATE PURCHASERS, INTERMEDIARIES, ETC. PURCHASERS SEEM IN MAIN TO HAVE BEEN SMALL OPERATORS. WE UNDERSTAND LARGE COMPANIES (HISTADRUTH COMPANIES: E. G.), BANKS OR WELL- KNOWN DEVELOPERS (OTHER THAN WELL- KNOWN SPECULATORS) WERE CONFIDENTIAL

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NOT INVOLVED AT THIS STAGE. WE ASSUME FAMILIAR INTERMEDIARY TECHNIQUES WERE USED, SUCH AS ARABS CLAIMING TO REPRESENT OTHER

ARABS OR FOREIGN PRINCIPALS (OUR SPANISH COLLEAGUE RECENTLY SOLD SPANISH STATE LAND IN HAIFA AND FOUND PATTERN THERE). SELLERS WERE MAINLY ARABS. CHURCHES HAVE IN PAST SOLD LAND ON WEST BANK TO JNF, BUT WE HAVEN' T HEARD OF THEIR MAKING ILLEGAL DEALS.

3. IT IS OUR IMPRESSION THAT LAND SPECULATION ON WEST BANK HAS BEEN CONCENTRATED IN JERUSALEM AREA, WHERE REAL ESTATE IS OBVIOUSLY AN ATTRACTIVE INVESTMENT. RAMALLAH AND BETHLEHEM AREAS, WHICH HAVE CLOSE ECONOMIC TIES TO JERUSALEM AND FORM LOGICAL PART OF CITY PLANNING AREA, ARE PRIME TARGETS. FROM WHAT WE HEAR, PLOTS INVOLVED ARE MAINLY OPEN LAND SUITABLE FOR RESIDENTIAL CONSTRUCTION. LAND PARCELS WERE MAINLY SMALL, BUT SOME EFFORTS TO ASSEMBLE LARGER PLOTS ARE REPORTED. WE HAVE NOT HEARD OF ANY WEST BANK ARABS SELLING THEIR HOMES OR BUSINESSES TO ISRAELIS. A FEW JERUSALEM ARABS HAVE, HOWEVER, SOLD HOMES AND THERE IS A GROWING TENDENCY TOWARD JOINT ARAB- ISRAELI BUSINESS VENTURES IN THE CITY. ONE ISRAELI CONTRACTOR HAS PURCHASED 80 DUNUMS FROM INDIVIDUAL ARABS IN SUR BAHIR (JERUSALEM) AREA AND HAD PLANNED INTENSE DEVELOPMENT OF AREA.

4. BETWEEN TIME LAND PURCHASE OPENLY ADVOCATED BY GENERAL DAYAN AND GOI CABINET DECISION ON APRIL 8, PRESS REPORTED TREMENDOUS INFLATION IN LAND PRICES, PARTICULARLY IN JERUSALEM AREA. REPORTS DIFFER AS TO EXTEND OF INFLATION IN LAND PRICES: JERUSALEM POST OF APRIL 8 REPORTED THAT LANDOWNERS IN JERUSALEM AREA WHO WERE WILLING TO SELL AND INCREASED THEIR ASKING PRICES FIVE - TO TENFOLD. ONE PRESS ACCOUNT GIVES PRICE OF 100-200,000 ISRAELI POUNDS PER DUNUM AGAINST 70,000 POUNDS COUPLE OF MONTHS EARLIER. WE ASSUME THAT PRICES HAVE RECEDED AT LEAST TO SOME DEGREE. SEVERAL OF OUR SOURCES HAVE ALSO REPORTED THAT ARAB LANDOWNERS ARE NOT ABOVE SELLING THEIR LAND VIA " IRREVOCABLE" POWERS OF ATTORNEY MORE THAN ONCE.

5. OUR SOURCES AGREE THAT PRIVATE DEALS IN QUESTION, AS THROUGH POWERS OF ATTORNEY, ARE ILLEGAL. RELEVANT MILITARY ADMINISTRATION ORDER (NO. 25, JUNE 18, 1967) PROHIBITS ENTERING INTO TRANSACTION OTHERWISE THAN UNDER LICENSE FROM COMPETENT AUTHORITY.

6. AS REGARDS TOTAL LAND PICTURE ON WEST BANK, STATISTICS CITED
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BY TERRY SMITH ARE TO BEST OF OUR KNOWLEDGE ACCURATE AND CONSISTENT WITH THOSE REPORTED BY CONGEN (JERUSALEM 368). BASIC PROBLEM WITH SMITH ARTICLE IS NOT FIGURES, BUT HIS USE OF TERM " SEIZED." BY FAR THE GREATER PART OF THE PUBLIC LANDS AND ABSENTEE PROPERTY ON WEST BANK WHICH, AS SMITH POINTS OUT, TOTAL SOME 250,000 ACRES HAS NOT BEEN " SEIZED" BY GOI IN SENSE THAT THIS LAND HAS BEEN CONFISCATED, EXPROPRIATED OR ANNEXED TO STATE OF ISRAEL. GOI ADMINISTERS THESE LANDS AS OCCUPYING POWER AND AS SUCCESSOR TO GOJ.

7. SOME OF THIS PUBLIC LAND AND ABSENTEE PROPERTY HAS, HOWEVER, BEEN USED TO ESTABLISH 12 ISRAELI SETTLEMENTS IN JORDAN VALLEY, KIRYAT ARBA SETTLEMENT NEAR HEBRON, THREE SETTLEMENTS IN GUSH ETZION, AND ONE SETTLEMENT IN LATRUN SALIENT. IN JORDAN VALLEY, AS A GENERAL RULE, GOI HAS TENDED TO ESTABLISH SETTLEMENTS ON GOVERNMENT LAND. THERE IS SOME TRADING OFF OF SMALL PLOTS WHEN A PRIVATE INDIVIDUAL OWNS A TRACT IN A SETTLEMENT AREA. WE HAVE HEARD, BUT CANNOT PROVE, THAT SOME ABSENTEE PROPERTY HAS ALSO BEEN USED TO ESTABLISH JORDAN VALLEY SETTLEMENTS. AN ADDITIONAL COMPLICATING FACTOR IS THAT SOME PUBLIC LAND-- PARTICULARLY THAT IN AKRABA AREA-- WHICH HAS BEEN DESIGNATED FOR SETTLEMENT BY ISRAELIS HAS TRADITIONALLY BEEN CULTIVATED OR USED FOR GRAZING BY ARAB VILLAGERS, WITH RESULT THAT VILLAGERS TEND TO CONSIDER IT, WITH SOME REASON, AS " THEIR" LAND.

8. ACQUISITION OF LAND AT GUSH ETZION, BETWEEN JERUSALEM AND HEBRON, ILLUSTRATES COMPLEXITY OF QUESTION. JNF CLAIMED 9,832 DUNUMS AS ITS PROPERTY PRIOR 1948. OF THIS 8,972 WAS SIMPLY TAKEN BACK IN 1967. MILITARY GOVERNMENT TEMPORARILY REQUISITIONED (BUT DID NOT EXPROPRIATE) 2,205 DUNUMS OF PRIVATE, LARGELY ARAB-OWNED LAND. 860 DUNUMS WERE TURNED OVER TO JNF (TO MAKE UP AMOUNT ORIGINALLY OWNED) AND OWNERS WERE OFFERED COMPENSATION. REMAINDER CONTINUES IN REQUISITIONED STATUS, WITH OWNERS ENTITLED TO CLAIM RENT. WE UNDERSTAND THAT LAND FOR KIRYAT ARBA SETTLEMENT NEAR HEBRON WAS ORIGINALLY CLOSED OFF FOR SECURITY REASONS AND THEN USED FOR SETTLEMENT, WITH ARAB OWNERS OFFERED COMPENSATION.

9. IN SHORT, GOI CONTROLS VAST AREAS OF PUBLIC LAND AND ABSENTEE PROPERTY ON WEST BANK, BUT HAS ACTUALLY " SEIZED" ONLY A SMALL PROPORTION OF THIS TOTAL AREA. SMITH' S FIGURE OF 8,000 ACRES TAKEN FOR SETTLEMENT SEEMS REASONABLE TO US.

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10. RE LEGAL LAND PURCHASES ON WEST BANK BY JNF AND ISRAEL LANDS AUTHORITY, TOTAL FIGURE INVOLVED TO DATE DOES NOT APPEAR TO BE LARGE (RELATIONSHIP BETWEEN JNF AND ILA IS ORGANIZATIONALLY COMPLEXES AND THIS MAKES FOR SOME CONFUSION ON STATISTICS). WE ARE INFORMED BY JNF HEAD YA' ACOV TSUR THAT JNF HAS SINCE 1967 PURCHASED 20,000 DUNUMS, MOSTLY IN JERUSALEM AND KFAR ETZION AREA, IN ADDITION TO 30,000 DUNUMS OWNED SINCE BEFORE 1948. JERUSALEM POST CLAIMS JNF HAS BOUGHT SOMEWHAT MORE THAN 10,000 DUNUMS IN ADMINISTERED TERRITORIES, WITH ISRAEL LANDS AUTHORITY BUYING 30,000 DUNUMS (WE SUSPECT LATTER FIGURE MAY BE PRE-1948 JNF HOLDINGS). DIFFERENCE IS NOT REALLY SIGNIFICANT. IT COULD WELL BE, HOWEVER, THAT LEGAL PURCHASES OF WEST BANK LAND WILL INCREASE IN FUTURE SINCE CABINET DECISION HAS PUT DAMPER ON SPECULATION.

12. COMMENT: CABINET' S FAILURE TO AUTHORIZE PRIVATE LAND

PURCHASES HAS COOLED OFF SPECULATION. WE DOUBT IT HAS STOPPED IT COMPLETELY, HOWEVER. MICHAEL ELKINS, KNOWLEDGEABLE BBC AND NEWSWEEK CORRESPONDENT, MAINTAINS THAT SPECULATION ACTUALLY GOES BACK MORE THAN A YEAR TO DAYAN'S AUGUST 1971 SPEECH IN WHICH HE ARGUED GOI SHOULD ACT AS THE ONLY GOVERNMENT ON WEST BANK. UNLESS JUSTICE MINISTRY MOVES FIRMLY AGAINST DEALS MADE SINCE THEN, WE SUSPECT PROCESS WILL CONTINUE IN LOW GEAR. ELKINS TELLS US JUSTICE MINISTRY WAS CONSIDERING COMPILING LIST OF THESE TRANSACTIONS, BUT HE AND WE DOUBT THERE WILL BE PROSECUTIONS. TSUR OF JNF OPINED THAT SPECULATORS UNABLE TO LEGITIMIZE THEIR SALES WILL SIMPLY SIT TIGHT AND WAIT FOR BETTER TIMES. IDEA OF BUYING WEST BANK LAND, ESPECIALLY NEAR JERUSALEM, IS INHERENTLY ATTRACTIVE. IT APPEARS TO MANY TO BE INEVITABLE THAT JERUSALEM WILL EXPAND AND THAT LAND DEALS WILL EVENTUALLY BE LEGITIMIZED. LAND PRICES ARE FAR HIGHER IN FORMER ISRAELI JERUSALEM THAN IN ARAB AREAS, AND TRENT IN LATTER HAS TO BE UPWARDS. AS AMERICAN RABBI RESIDENT IN JERUSALEM PUT IT IN WEEK FOLLOWING CABINET NON- DECISION, " SOONER OR LATER WE' LL BE ABLE TO BUY LAND THERE." HE WAS LOOKING FOR A LAWYER TO ADVISE HIM HOW TO GO ABOUT RESERVING HIMSELF A PARCEL. DAY UNQUOTE PORTER

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